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FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1086  
INFO RUEHBJ/AMEMBASSY BEIJING 0799  
RUEHLM/AMEMBASSY COLOMBO 3990  
RUEHKA/AMEMBASSY DHAKA 4010  
RUEHIL/AMEMBASSY ISLAMABAD 6900  
RUEHBUL/AMEMBASSY KABUL 2462  
RUEHKT/AMEMBASSY KATHMANDU 4659  
RUEHLO/AMEMBASSY LONDON 8780  
RUEHMO/AMEMBASSY MOSCOW 7219  
RUEHKO/AMEMBASSY TOKYO 2880  
RUEHCI/AMCONSUL CALCUTTA 2283  
RUEHCG/AMCONSUL CHENNAI 2129  
RUEHKP/AMCONSUL KARACHI 2741  
RUEHLH/AMCONSUL LAHORE 2220  
RUEHBI/AMCONSUL MUMBAI 1359  
RUEHPW/AMCONSUL PESHAWAR 2897  
RUCNDT/USMISSION USUN NEW YORK 9563  
RHEHNSC/NSC WASHDC  
RUEIDN/DNI WASHINGTON DC  
RHHMUNA/CDR USPACOM HONOLULU HI  
RUEHGV/USMISSION GENEVA 1781  
RUCPDO/DEPT OF COMMERCE WASHDC  
RHHJJPI/PACOM IDHS HONOLULU HI  
RHMFISS/HQ USSOCOM MACDILL AFB FL  
RHMFISS/HQ USCENTCOM MACDILL AFB FL  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 001653

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E.O. 12958: DECL: 03/07/2016

TAGS: PREL MASS PTER IN NP

SUBJECT: GOI COMPARES NOTES ON NEPAL WITH PDAS CAMP

REF: A. KATHMANDU 607 (NOTAL)

1B. KATHMANDU 606 (NOTAL)

1C. NEW DELHI 1320

Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

11. (C) Summary: MEA Joint Secretary (North) Pankaj Saran told visiting SCA PDAS Don Camp on March 7 that the GOI was not worried about the RNA's ammunition supplies (Refs A and B). New Delhi is "revisiting" its policies toward Nepal, but continues to stand by supporting the seven-party alliance while urging them to give no ground to the Maoists. Saran warned that any remaining opportunities for reconciliation between the King and the parties risk "being overtaken by events." End Summary.

RNA Suffering from Low Morale, not Low Supplies  
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12. (C) Saran's presentation of New Delhi's perspective on Nepal largely tracked his overview of February 22 (Ref C), but provided more detail on the GOI's assessment of the RNA. Giving no indication that he was aware of Ambassador Moriarty's March 2 conversation with his counterpart in Kathmandu (Ref B), Saran stated that the RNA's inability to make headway fighting the Maoists was not a problem of hardware, but of "fatigue and morale." The GOI was particularly concerned by reports that Maoists had conducted the release of abducted employees of the Surya corporation in full view of garrisoned Nepalese security forces, who made no move to detain the clearly identifiable insurgents. This incident, and reports of Nepal Armed Police forces fleeing to India to escape run-ins with Maoists, are "very disturbing,"

Saran observed.

¶3. (C) Saran noted that New Delhi is following the ammunition situation closely, and if the GOI believed the RNA was desperately in need of military assistance, India would be "ready with all kinds of scenarios." Elements within the GOI believe that India should provide more aid to the RNA, he admitted, but "our" view (meaning the MEA) holds that military assistance to the RNA "cannot be effective in isolation." Without movement toward a political solution to the governance stalemate and the insurgency, further arms supplies would only "fuel the conflict." Renewal of military assistance without any changes in Palace policy would send a message to the King that he was right when he took power on February 1, 2005, he added.

#### Political Parties Still the Key

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¶4. (C) India's guiding principle remains to avoid a Maoist takeover, but "the spectre of a takeover is overblown," Saran stated. The GOI hopes the political parties will remain "in the lead" in pressing for restoration of democracy, and New Delhi believes the "best guarantee is to support the parties." The GOI is "in the process of revisiting our policy," Saran said, and has been contacting the political parties to urge them to maintain the unity of the seven-party alliance, and not "yield any ground" to the Maoists. Unfortunately, he added, the King seems to be in a "dead end," and growing public unhappiness could overtake any plans the King has to ultimately achieve a solution to the stalemate.

NEW DELHI 00001653 002 OF 002

#### Comment: Every Cloud Has a Silver Lining

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¶5. (C) Saran remains hopeful that the political parties could ultimately use the present crisis to resolve the "real issues that face Nepal." New Delhi still maintains that the monarchy should remain part of the outcome, but the MEA's frustration with the palace's unwillingness to backtrack or reach out to the political parties is increasingly apparent. However, India's Nepal policy is weighed down by entrenched interests throughout domestic society, and this baggage makes it unlikely that the current approach would change solely because of irritation with the Palace. Saran's recognition of an "emergency option" should the RNA face a severe crunch, however, points out that policy could shift rapidly should New Delhi perceive a direct threat to its own security.

¶6. (U) PDAS Camp has cleared this cable.

¶7. (U) Visit New Delhi's Classified Website:  
(<http://www.state.sgov.gov/p/sa/newdelhi/>)  
BLAKE